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The Agricultural Situation

GENERAL

Demand

The adjustments which began last fall are still underway in most segments of our economic system. As yet, there are no clear cut signs that these adjustments are nearing completion.

The total decline in inventories has not been large. At the end of January, inventories for all segments had declined less than the decrease in sales as compared with a month earlier. Since September, 1953, manufacturing and trade sales had declined almost 5 percent while manufacturing and trade inventories had declined only 1.5 percent.* Additional reductions, probably of the same magnitude, occurred during February and March. It is noteworthy in this connection that steel operations in March had temporarily stopped going down. A few of the other industries may also have been in this position.

The reduction of inventories has contributed to the rise in unemployment which was reported at 3.7 million persons in March. Perhaps the most significant aspect of this unemployment problem is the fact that the rate of increase in March was much less than in previous months. Unemployment rose only about 70,000 persons in March as compared with a rise of almost 600,000 in February (based on the new series). Of course some increased spring business activity has been important in these figures.

The most recent action affecting consumer spending is the cut in federal excise taxes of a little more than one billion dollars per year. For many items, the immediate effect is a cut in the prices at the retail level by the reduction in the tax. It is expected that consumers will buy more at these lower prices to boost consumer spending. However, not all the tax reductions will be passed on to the consumers. For example, in the motion picture industry, theater owners have been hard pressed to maintain their profit positions and will likely pocket the savings by holding the consumer price at the same level as before. Similar actions are likely to occur for some of the other affected industries.

This reduction in excise taxes probably will add to the annual deficit in the federal budget unless additional cuts in spending are forthcoming. But for the time being, the cuts will only partially offset the seasonal surplus of the budget. Since this is the season for tax payments, the government account is running in the black and, as such, is deflationary. This adds to the current tightness of the money market which is already reflecting increasing emphasis on security perhaps as much or more than interest rates.

Price

The major changes in agricultural prices in the U. S. during the past two months have been primarily seasonal. Higher prices were re-

ported for beef cattle, lambs, cotton, wheat, and soybeans, while lower prices were reported for eggs, milk, butterfat, hogs, and potatoes. The effect of these lower prices predominated to make the index of prices received by U. S. farmers decline 2 points in March to 256 percent of the 1910-14 average. The decline from January was 3 points.

The prices paid by farmers moved in the other direction. The index of prices paid by U. S. farmers, including interest, taxes and wage rates, moved up one point to 283 percent of the 1910-14 average. As a result, the March parity ratio (ratio of prices received to prices paid) moved down 1 point from February to 90. This compares with a ratio of 94 in March a year ago.

Oklahoma prices followed the same trends as U. S. prices with most of the changes reported to be less than 5 percent. As exceptions, lambs were up 13 percent and eggs were down 22 percent. The index of prices received by Oklahoma farmers for all commodities declined one point to 259 percent of the 1910-14 average. Since prices paid by farmers moved up, the index of purchasing power declined to 90.5 in March. This is one point lower than February, but is 2 points higher than the January index.

As compared with a year ago, most prices were down. Only wheat, cotton lint, lambs, and hogs were higher. Some of the commodities have declined by 20 percent or more from last year's levels. Among these are rye, cottonseed, baled hay, and eggs. As a total for all commodities, however, the decline was only about 4 percent from March 1953.

Income

Cash receipts of Oklahoma farmers in 1953 were 14 percent lower than in 1952 according to the latest estimates of the Agricultural Marketing Service. Only Nevada and Maine had larger declines, but Kansas, Utah, and Wyoming also had a 14 percent decline. This compares with a total decline for the United States of 4 percent.

The Oklahoma decline came from lower cash receipts from livestock and livestock products and from lower cash receipts from crops. For 1954, both the prices and the weather are not very favorable for an inincrease in Oklahoma cash receipts from farming.—*Leo V. Blakley.*

Crops

COTTON

The supply of cotton in the United States for the 1953-54 season is estimated at 22 million bales. This supply is composed of ginnings of the 1953 crop of 16.2 million bales, a carryover from last year of 5.6 million bales, and imports estimated at 175 thousand bales.

Disappearance, which includes exports and domestic consumption, is estimated at 12.3 million bales. Domestic mill consumption is expected to be about 8.8 million bales for the 1953-54 season compared with 9.5 million bales last year, and exports are estimated at about 3.5 million bales, an increase of 500 thousand bales compared with 1952-53. The increase in exports, according to the Department of Agriculture, '. . . is expected to result largely from an increase in foreign free world consumption of cotton and a decrease in foreign supplies. Although foreign net exporting countries started the season with some stocks in excess of their minimum requirements, most of this excess has been sold and stocks in the net importing countries are currently relatively low. In order to keep stocks at a minimum working level and to fill the large requirements for consumption, importing countries are increasing their purchases from the United States."[1] Also, prices of comparable foreign cotton have advanced and are more nearly in line with the prices of United States cotton.

Based on these estimates of total disappearance and supply, the carryover on August 1, 1954 would be about 9.7 million bales. However, the available working stocks of cotton will be much less than this amount because of the quantity of cotton held by the C.C.C. According to recent estimates, the stocks of cotton pooled or held in the C.C.C. loan as of March 12, was 8.3 million bales. This was composed of 6.2 million bales of 1953 crop cotton under loan, 1.7 million bales of 1952 cotton under loan and the remainder was pooled cotton.[2]

If the export demand continues to strengthen as expected and if the domestic demand continues at the present level or increases, cotton prices should strengthen enough to move cotton out of loan to meet the demand for exports and provide the normal working stocks required by mills and merchants.

According to an announcement by the Department of Agriculture, the minimum C.C.C. loan limits for 1954 crop cotton have been established. "The minimum level for middling 7/8 inch cotton at average location is 31.25 cents per pound gross weight. This compares with 30.80 and 30.91 cents per pound for the 1953 and 1952 crops."[3]

Under public law 290, total cotton acreage allotments were set at 21.4 million acres, a 3.5 million acre increase over the acreage allotments announced on October 9. At the same time, revisions were made in the law which permit producers the privilege of release and reappointment of cotton acreage allotments. In Oklahoma, this provision is of major importance to cotton producers and warrants careful checking so that it may be used to advantage.—*Raymond B. Marshall.*

WHEAT

The two problems most concerning the wheat farms are lack of moisture and lack of storage space.

[1] *The Cotton Situation*, A.M.S., U.S.D.A. March 29, 1954, p. 8.
[2] *Ibid.*, p. 10.
[3] *Ibid.*, p. 11.

While the moisture picture may change almost over night, its arrival would be too late for many farmers and only of slight help to others. The April 1 wheat report estimated the Oklahoma production at 56,420,000 bushels this year compared with a production of 70,776,000 bushels last year.

Drought has lessened the prospective need for wheat storage space, but has not yet eliminated the possibility of shortage. The seriousness of this prospective shortage was pictured in the last issue of *Current Farm Economics* (February 1954). In brief, most elevators are filled with old wheat. Most new wheat will have to be stored in either new storage or farm storage if it gets under cover.

Over the United States there will be much new storage space this year. There will be approximately 200 million bushels of new commercial elevator storage. This figure is based on the amount of new storage (after allowances for cancellations and withdrawals) whose occupancy is guaranteed by Commodity Credit Corporation.

In the corn states, Commodity Credit has awarded contracts for almost 100 million bushels of bin-site storage capacity, and an announcement has just been made that an additional 100 million bushels will be constructed. This would make a total CCC bin-site capacity of about 740 million bushels.

Commodity Credit also has recently made arrangements for 40 million bushels of storage in 180 ships. This is in addition to 28 million bushels in 125 ships used this year.

What the extra storage on farms may be will not be known until after harvest, if then. Many farmers have bought grain bins and others are waiting until they can be more sure of their crop. List prices on grain bins run from over 50 cents per bushel on 500 bushel bins down to slightly under 30 cents on large bins of 2400 to 3350 bushels. Farmers can borrow by Commodity Credit loans through local banks or local Agricultural Stabilization and Conservation Committees up to 80 percent of the cost of the new construction at 4 percent interest and repayable in 4 years.

Grain storage facilities may be depreciated for income tax purposes over a five year period. To do this the taxpayer needs to make a statement to that effect in his Federal income tax return for the year in which the storage facility was completed.

It appears that the pressure for grain storage space will be with us for several years. The extent of the problem will be directly affected by the particular farm program adopted—including wheat price supports, acreage allocations, and marketing quotas.—*Adlowe L. Larson.*

Feed

Feed grain prospects for the year ahead will be largely dominated by three factors: (1) acreage planted, (2) weather conditions, and (3)

carryover of old grain, much of which is under loan or owned by the government.

There is little doubt that the acreage of all feed grains planted will show a significant increase over 1953. March 1 reports of farmers' planting intentions indicated increases of 7 percent in oats acreage, 47 percent in barley, no change in corn, and 28 percent in sorghums for all purposes. Most of the sorghum increase was in Kansas, Oklahoma, and Texas, which produce 80 to 85 percent of the country's grain sorghum. The combined acreage of the four feed grains represents an increase of about 8 percent over 1953. These intentions were tabulated before corn or cotton allotments were available. While corn acreage may be reduced by compliance with allotments, some of the cotton acreage taken out of production may be replaced with feed crops, particularly in the Great Plains.

In Oklahoma, prospective plantings of feed grains were estimated March 1 at 38 percent more than last year, in spite of a 21-percent reduction in the corn acreage. Replacement of cotton and further deterioration of wheat may result in a further increase in feed-grain acreage. The intentions as stated represent a reduction of about 20 percent below the 10-year average 1943-52. Relatively favorable prices for wheat and cotton in recent years, plus some re-grassing of cultivated lands and dry weather have resulted in declining feed-grain acreages in Oklahoma. Considerable increase would be required to restore the 10-year average. Such an increase may not be expected in 1954; but enough increase may occur that average yields would produce a supply sufficient to exert pressure on feed-grain prices.

Government activities in the support of corn prices have been a factor in reducing market receipts of corn since October to a level much below average for the time of year. Since corn is perishable, stocks cannot be held indefinitely. Release of old supplies on top of increased production of feed grains would tend to weaken prices. Since the situation appears favorable for cheaper grains, hog numbers are increasing and increases are expected for poultry and milk cows. The supply of concentrate feeds per grain-consuming animal unit, however, is expected to be 3 to 4 percent larger than last year.

Among the protein feeds, soybean meal has advanced in price over last year and in relation to cottonseed meal. An expected 12-percent increase in soybean acreage and reduction in cotton may reverse this situation.

Oklahoma's range condition April 1 was reported at only 67 percent of normal, as compared with 71 last year and a 10-year average of 77. Light rains since April 1 have improved prospects in some localities but soil moisture is low in western parts of the state. Ten western range states averaged 71 percent of normal condition as compared with 72 percent last year and a 10-year average of 78.—*F. L. Underwood.*

Livestock and Livestock Products

BEEF CATTLE

The number of cattle and calves on U. S. farms January 1, 1954 totaled 94.7 million head—the highest on record. This year makes the fifth consecutive annual increase in U. S. cattle numbers, with an increase of almost 1 million head during the past year. Present cattle numbers are 11 percent above the previous peak of 1945, and 23 percent above the most recent low in 1949 of 76.8 million head.

Although increases in cattle numbers were general over the nation, four important feeding states—Iowa, Nebraska, Kansas, and Colorado—showed decreases. Three southwestern States—Texas, New Mexico, and Arizona—also showed declines. Drought conditions were primarily responsible for the reductions in the southwest.

The proportion of cows in the January inventory increased 1.5 percent above 1953 to 51 percent. Although cow slaughter advanced 37 percent from its low 1952 rate, the 1953 total slaughter was not sufficient to halt the increase in inventory numbers of cows.

Continued High Output

Meat output for the first half of 1954—according to the U. S. Department of Agriculture—will average slightly below 1953. Despite the larger number of all cattle on hand, the 1 million fewer steers on hand this January as compared with a year earlier will limit cattle slaughter during the next few months. Output for the year 1954, however, is expected to be close to the 1953 level. Production of beef will be about the same as in 1953, providing no liquidation occurs in cattle inventories.

Total cattle and calf slaughter in 1953 equaled 36.6 million head and consumption of beef reached 76 pounds per person. An even larger slaughter, probably 37 to 39 million head, could be supported by the present cow herd without any reduction in inventories. Per capita consumption of this number would equal last year's record rate of 76 pounds.

Receipts Up and Prices Down

Cattle receipts at Oklahoma City during the first three weeks of March were approximately 65 percent greater than during the corresponding period last year. However, calf receipts showed an increase of only 2 percent for the same period (Table I). An increase in cattle and calf receipts of 9 and 16 percent respectively occurred at the 12 major U. S. markets during this period.

Prices paid for cattle and calves of all grades at Oklahoma City were lower during the three week period ending March 19 of this year than they were during the same period last year (Table II). In

general, however, the price declines have been greatest for the lower grades within each class and for the stocker-feeder class as compared with the slaughter class. During this same three week period good and choice slaughter steers declined 2 and 3 percent, respectively, while utility steers declined 12 percent. At the same time, good 800-1050 pound stocker-feeder steers were selling 9 percent below a year ago as compared with a decline of 20 percent for common stocker-feeder steers. The major exception is slaughter cows, for which the larger decline—19 percent—occurred in the higher grade, and the

Table I.—Stockyard Receipts of Salable Cattle and Calves at Oklahoma City, Weeks Ending March 5, 12, 19, 1954, With Comparisons.*

Week ending March**	1953		1954		Pct. change from 1953	
	Cattle	Calves	Cattle	Calves	Cattle	Calves
6	8827	1455	14119	1198	+60	—18
13	10329	1559	16215	1387	+57	—11
20	7700	695	14106	1200	+83	+73
Total for 3 weed period	26856	3709	44440	3785	+65	+ 2

* Compiled from "Weekly Livestock Market Report." AMS, USDA, Livestock Division, Oklahoma City, Oklahoma. Vol. XXXVI, March 6, 13, 20, 1953; Vol. XXXVII, March 5, 12, 19, 1954.

** For 1954 week endings are for March 5, 12, and 19, respectively.

Table II.—Prices Received by Producers for Steers, Cows, and Calves by Classes and Grades at Oklahoma City, Three Weeks Ending March 19, 1954 with Comparisons.*

Item	Grade	Weight (lbs.)	Three Weeks Ending March 20 1953	Three Weeks Ending March 19 1954	Percent Change from 1953
		Slaughter			
Steers	Ch.	700-1100	22.30	21.73	— 3
	Gd.	700-1100	19.88	19.40	— 2
	Comm'l	All wts.	17.57	16.75	— 5
	Utility	All wts.	15.50	13.58	—12
Cows	Comm'l	All wts.	15.52	12.53	—19
	Utility	All wts.	13.87	11.48	—17
	Can & Cut	All wts.	11.35	9.83	—13
Calves	Choice & Prime	500 down	21.30	18.22	—14
	Comm'l & Good	500 down	18.47	15.20	—18
		Stockers & Feeders			
Steers	Good	500-800	20.08	16.80	—16
	Good	800-1050	19.10	17.45	— 9
	Medium	500-1000	16.75	14.22	—15
	Common	500-900	14.17	11.40	—20
Calves (Steers)	Gd. & Ch.	300-500	22.23	19.03	—14
	Medium	300-500	17.90	15.50	—13

* Compiled from "Weekly Livestock Market Report," AMS, USDA, Livestock Division, Oklahoma City, Oklahoma. Vol. XXXVI, March 6, 13, 20, 1953; Vol. XXXVII, March 5, 12, 19, 1954.

lower decline—13 percent—occurred in the canner and cutter grade. Also, good 500-800 pound stocker-feeder steers declined slightly more than the medium grade.

In conclusion, it appears that beef production per person will stay considerably above average assuming normal weather and no appreciable weakening in demand. With these conditions, prices can be expected to stay somewhat near their present general levels. If the drought persists and an increased slaughter occurs or a weakening of demand takes place, prices will decline further.—*Robert L. Tontz,* and *Nellis A. Briscoe.*

DAIRY

The dominant factor in the dairy outlook for April is the trend of production and consumption under the 75 percent support prices as compared with this trend one year earlier under 90 percent support prices.

In 1953, the Secretary of Agriculture approved support prices at 90 percent of parity, then gave the industry one year to adjust its production to demand. The improvement during the year was neglible. Storage stocks of butter, cheese, and dried milk consistently increased during the year.[1] Most of these stocks were held by the Commodity Credit Corporation. The increased size of the C.C.C. stocks probably was important in the decision to lower the price supports from 90 percent to 75 percent of parity. Table I shows the amount of the support price change for several important dairy items. Lower grade products should sell below these prices as in the past.

Surplus U. S. production in late 1953 and early 1954 was brought on by: (1) 3 percent more dairy cows; (2) unusually favorable production weather throughout the United States; (3) more efficiency in production resulting in high production per cow; and (4) lower sales of some dairy products. This relatively large production is more than consumers want to buy at present prices. The solution to this "over production" lies in either less production or more consumption or a combination of

Table I—U. S. Dairy Support Prices

Product	1953-54 90% Parity	1954-55 75% Parity	Difference (*cents*)
Whole Milk (manufacture 3.95% butterfat)	$ 3.74 cwt.	$ 3.14 cwt.	—60
Butterfat	67.3¢ lb.	56¢ lb.	—11.3
Butter—Chicago 90 Score	63.75¢lb.	55.5¢ lb.	— 8.25
Butter—Chicago 92 Score	65.75¢lb.	57.5¢ lb.	— 8.25
Cheddar Cheese	37¢ lb.	32.25¢lb.	— 4.75
Powder, nonfat, spray process	16¢ lb.	15¢ lb.	— 1
Powder, nonfat, roller process	14¢ lb.	13.25¢lb.	— .75

[1] CCC storage stocks March 31, 1954 were: butter 364 million pounds, cheese 483 million pounds and nonfat dry milk powder 598 million pounds.

Table II.—Production, Price, and Utilization of Fluid Milk In Oklahoma Markets, Selected Months.

	Oklahoma City			Tulsa		
	Class I Price $/cwt.	Prod. (1,000 #)	% in Class I	Class I Price $/cwt.	Prod. (1,000 #)	% in Class I
		1953				
Jan.	6.012	12,251	84	5.992	14,263	89
Feb.	5.838	12,172	79	5.818	13,419	86
Mar.	5.734	13,938	75	5.714	15,575	81
		1954				
Jan.	5.146	14,162	77	5.096	17,274	76
Feb.	5.127	13,572	73	5.057	16,014	74
Mar.	5.278	15,084	73	5.058	18,125	73
April	4.886	---	--	4.616	---	--

SOURCE: Reports from the Market Administrator, Tulsa-Muskogee, Oklahoma Milk Marketing Area, and from the Market Administrator, Oklahoma City, Oklahoma Marketing Area, A.M.S., U.S.D.A.

these changes. However, the drop in all farm prices and the use of acreage controls on some crops may result in just as much, if not more, dairy production at 75 percent of parity this year as compared with 90 percent last year. Therefore, more purchases of fluid milk would be especially helpful to the industry.

After ten days under the lower supports, butter on the terminal market was fully 1½ cents per pound above support levels. This indicates that dairy prices may remain above the support levels for some commodities.

The dairy price structure in Oklahoma is highly weighted with fluid milk prices in Oklahoma City, Tulsa, Muskogee, Fort Smith, and Dallas milk sheds, which in turn reflect the support prices. Table II gives Class I price, production, and utilization for Oklahoma City and Tulsa. Class I prices decreased about 40 cents for April. For the first quarter of the year, less of the production was used as Class I milk, which reflects the surplus situation.

Consumer buying power is still high, with employment relatively stable and wages good. These usually run parallel with high sales of dairy products. However more advertising and education of the nutritive value of dairy products will be done. It is hard to evaluate the effectiveness of these actions in increasing the consumption of dairy products.

The "take home pay" of dairy farmers will be down in 1954 compared with recent years. More efficiency in production is essential. The price adjustment will be most severe on dairymen who have to meet large fixed income payments such as debts.—*A. W. Jacobs.*

HOGS

The number of hogs on U. S. farms January 1 was 11 percent below a year ago. However, the number of sows and gilts over 6

months of age increased 6 percent, reflecting the reported intentions of farmers to increase spring farrowings. Most of the decline occurred in the number of pigs fed for fall and winter marketings. Both the small size and the earlier marketings of the 1953 spring pig crop were factors in this decline.

The reduction in inventory indicates that a smaller supply of pork can be expected until marketings of spring pigs begin in late summer. Consequently, hog prices should continue relatively high throughout the spring and early summer.

When the spring pig crop comes to market this fall, pork output will rise, and it should equal or even exceed that of a year earlier. During the fall, prices of hogs will probably decline more than usual, but should continue favorable to hog producers. Although large decreases in hog prices are not expected in 1954, there is a possibility of a substantial overall decline in 1955.

The hog-corn price ratio continues extremely favorable. In March, the Oklahoma ratio was 16.53 and the United States ratio was 17.27. This ratio for Oklahoma was slightly lower than the ratio of 16.84 in February because of the seasonal decline in hog prices.

The number of hogs slaughtered and pork production in 1954 are expected to be the lows of the current cycle since both are expected to increase in 1955. Per capita consumption of pork is forecast at 58 pounds, which would be the lowest since 1938.—*Howard S. Whitney.*

POULTRY

Many poultry producers are not covering costs at present price-cost relationships. If these relationships cannot be altered by changes in production techniques, then the poultry enterprise should be immediately terminated. This will cause hardships in many individual instances where no alternatives exist for producers.

An immediate re-adjustment of output to the December-January level would bring prices of poultry products, particularly eggs, back to a more favorable price relationship. Failure to reduce production now, however, will influence prices throughout the 1954-55 season. Eggs were moved into storage by breakers, and other commercial handlers in 1953 at a higher level of prices than exist at present. These eggs can be moved only at a loss. Consequently, processors will delay the replacement of present stocks until it is evident that current receipts prices have reached the low point for the season.

Eventually the excess supplies will encourage a greater than normal movement into storage. Thus any amount stored becomes a part of the future supply. The larger the amount stored, the greater will be the pressure on the current receipts prices during the latter part of 1954 and the first six months of 1955. It does not appear logical to continue egg production under those unfavorable cost-price relation-

ships where storage operations may affect the market throughout the next 18 months.

The cost of egg production as well as broiler production is primarily feed. No large changes have taken place since November of last year when the poultry ration cost per hundred pounds was $3.54. However, the feed cost was moving up and was 20 cents higher on March 15 than in November. This probably reflects some pressure on existing free stocks and the present uncertainty of the future supply as a result of the drought in the Southwestern states.

The March egg-feed ratio of 8.4 is down 2.5 points from February and is the greatest change in the ratios during the spring season for which data are available. (The large drops usually occur in January from December.) The low ratio resulted primarily from the drop of 9 cents per dozen in egg prices from February to March. This represented a change of 11.6 cents per dozen since January and is the largest drop recorded.

The U.S.D.A. Agricultural Marketing Service attributes the decline in price primarily to the increase in the rate of lay per day per 100 hens from 44.8 in January to 57.9 in March. However, this is not the complete story. It is not known how much the present price of bacon has limited the market for eggs; that is, how many consumers have quit buying eggs because bacon has been priced out of many family budgets. These complementary relationships are difficult to determine. High bacon and ham prices have contributed to the reduction of a particular segment of the demand for eggs.

Broiler prices reflect a slight increase in the seasonal demand. This should become stronger. However, cheap beef will continue to be a strong competitor especially since the current rate of broiler output exceeds any previous season. Although the general trend of production has been up for the past 10 years, this is only the second year that broiler producers have been faced with a large supply of competitive meat products.

Turkey producers are expanding output beyond the 1953 level considerably. The government purchase program prevented prices from reacting to the large output this past season.—*K. C. Davis.*

SHEEP, LAMBS, AND WOOL

Sheep and Lambs.—The number of stock sheep and lambs on Oklahoma farms January 1 was up 3000 head as compared with January 1, 1953. This increase amounted to more than 2.5 percent and ran counter to the U. S. trend which showed a decline of almost 3 percent. Sheep and lamb numbers in Oklahoma have shown a small, but fairly steady increase since the end of 1948. The Crop and Livestock Reporting Service of the U.S.D.A. shows 119,000 head on January 1 this year compared with 101,000 head January 1, 1949.

For other areas of the U.S., trends in stock sheep numbers were mixed. In Texas the sheep inventory dropped 5 percent during 1953

and has declined a total of 23 percent during the past 3 years. In the 13 Western sheep states, sheep numbers declined 4 percent during the year. Only Arizona and South Dakota showed increases in the West. Other areas showing increases include the South Atlantic states and the South Central states.

Sheep production may stay low in view of lower prices for lambs and rising prices for several cost items in sheep production. Under the competitive pressure from cattle marketings, prices received for lambs during 1953 were about 18 percent below the 1952 average.

Wool.—The price of wool has been stable at about 90 percent of parity which reflects the price support program. Because of this support, returns from wool and lambs combined stand in a better relationship to cattle prices now than in recent years.—*L. A. Parcher.*

Seed Cotton Houses as a Means Of Adjusting Gin Operations To Mechanical Cotton Harvesting

Although cotton stripping and cotton picking machines are assisting in the solution of cotton harvesting problems of farmers, they are intensifying and creating problems in the ginning and marketing of cotton. Most of these problems arise from the shorter period of time involved in harvesting the crop and from the changes in the gin equipment used for machine harvested cotton.[1]

The shorter harvesting period places pressure on existing gins to custom gin the crop as fast as machines will harvest it. The solution to this problem would appear to be the building of more gins or the ginning of a larger volume per gin. However, changes made in ginning equipment to handle machine harvested cotton require larger investments per gin. Thus, at current charges for ginning, larger volumes are necessary in order to meet these costs and to pay a satisfactory return on investments. Either higher ginning charges or larger volumes per gin would permit a partial solution of the problem.

It is proposed that the latter suggestion may result in the best use of resources considering all of the cotton industry in Oklahoma. Larger

[1] For a discussion of some of these problems, see "Machine Cotton Harvesting and Ginning Practice Adjustments." *Oklahoma Current Farm Economics*, Vol. 20, No. 4, August 1947. pp. 87-96; and "Impact of Mechanization on the Cotton Ginner," an address by Horace Hayden at the Second Cotton Mechanization Conference at Lubbock, Texas, and published in "Progress Through Machines," the report on the Second Mechanization Conference, by the National Cotton Council and Cooperating Agencies, Memphis, Tennessee.

volumes per gin can be accomplished through (a) a change in the marketing practices of farmers, or (b) a change in ginning practices. Either change would require adequate seed cotton storage facilities.

Some Advantages of Storing Seed Cotton

Storage of seed cotton would appear to offer several advantages. First, the length of the ginning season could be extended—perhaps tripled. This would permit larger volumes per gin with lower fixed ginning costs per bale. Second, the daily or weekly fluctuations in ginnings caused by weather conditions could be reduced. A more regular operation of the gins should attract better skilled labor and reduce the overtime payments. Third, bales of uniform weights could be produced since the ginning would be from storage bins rather than from various sized individual producer loads. If the seed cotton storage were on the gin yard, it would also seem reasonable to expect gin companies to dry cotton slowly and have it comparatively uniform from bale to bale. This would reduce the amount of damage caused by over-drying or from drying at temperatures considered too high.

If the gins owned the seed cotton, a fourth advantage would be that some of the low grade cotton lint and seed could be saved and sold. At present, much of this low grade lint and seed passes out with the burs and trash because it would, if included, lower the grade of the bale. A fifth advantage is the more homogeneous product that could be produced by blending of similar bales of seed cotton in storage. Although wide variations exist in the qualities of fibers within bales, a machine has been developed for blending fibers from samples.[2]

Seed Cotton Storage Facilities

On-the-farm storage facilities for seed cotton are very limited in Oklahoma. Moreover, in 1950 Oklahoma farmers did not think that farm storage of seed cotton offered a satisfactory solution for the problems created by rapid machine harvesting, and it appears that they were correct for Oklahoma conditions.[3]

Most of the advantages cited for storing seed cotton would accrue only if that storage were at the gin. Nearly all gins in Oklahoma have seed cotton storage facilities, but these facilities generally have less than 100 bales capacity and were built for specific purposes.

The most common purposes for which seed cotton storage facilities were constructed in Western Oklahoma[4] were: (1) To store seed cotton until a number of bales could be ginned at one time to help maintain varietal purity of seed for planting; (2) To save time for customers in

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[2] "Cotton Testing Service," U.S.D.A., PMA, Cotton Branch, processed. Revised July 1952. pp. 17 and 37-39.

[3] "Should Machine Harvested Seed Cotton Be Stored on Farms?" *Oklahoma Current Farm Economics*. October 1950. pp. 150-153.

[4] In this report, Kingfisher, Canadian, Grady, Stephens, and Jefferson counties, and all counties west of these are considered as Western Oklahoma, and those east of those named are considered as Eastern Oklahoma.

case of breakdowns, etc.; (3) To store damp cotton; and (4) To store remnants or parts of bales belonging to either the farmers or the gin companies.

In Eastern Oklahoma, particularly in the northern part, the same reasons were given, but the predominating reason for construction of seed cotton houses was for use in storing cotton purchased in the seed. In the past, over 75 percent of the cotton in parts of the area has been sold in the seed. The practice was so widespread that from 20 to 25 percent of all the cotton produced in Oklahoma was sold in the seed for many years.[5]

Use of Seed Cotton Storage Facilities

Definite differences were found in the use made of seed cotton houses by gins in Eastern and Western Oklahoma in 1948-49. Sixty-two Eastern Oklahoma gins averaged ginning 646 bales each, and they averaged storing 394 bales each (61 percent of the cotton they ginned). The gin managers in the northern part of eastern Oklahoma stored larger proportions of the cotton ginned than did those in the southern part. In Western Oklahoma 78 gins averaged ginning 1340 bales but averaged storing only 115 bales (9 percent).

The Eastern Oklahoma gins averaged 94 bales of seed cotton storage space in their seed cotton houses, while those in Western Oklahoma averaged 40 bales. The Western gins averaged 13 "stalls" or bins in their seed cotton houses while those in the Eastern part of the state averaged 6½. This inverse ratio of bins to storage space reflects the requirements that the cotton of the customers be kept separate in Western Oklahoma. Bales of similar quality were stored together when owned by the gin companies in Eastern Oklahoma.

The Eastern ginners stored an average of 4.2 bales for the season for each bale of capacity compared with an average of 2.9 bales for the Western gins.

A comparison of the bales ginned daily by an Eastern Oklahoma gin—where most of the cotton was bought in the seed—with a Western Oklahoma gin—where only a few bales of remnants were bought in the seed—shows much more regular operation for the former (Figure 1). The Eastern Oklahoma gin had only three 80-saw stands, while the Western Oklahoma gin had four 80-saw stands, but the former averaged 2½ bales more per day of operation. Part of the cotton ginned by the Eastern Oklahoma gin was picked, while all of that ginned by the other was snapped. However, after making allowance for the difference in the method used to harvest the cotton at these two gins, the Eastern

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[5] See the following publications for more details on the percentage of cotton sold in the seed and for other information on this subject: Ellis, Lippert T., A. M. Dickson, and Clyde C. McWhorter. *The Sale of Cotton in the Seed in Oklahoma.* Okla. Agri. Expt. Sta. Bul. No. 219; Hill, Marjorie and Peter Nelson. "Cotton Sold in the Seed in Oklahoma." *Oklahoma Current Farm Economics.* Vol. 12, No. 1 Feb. 1939. pp. 19-27; Howell, L. D. *Cotton Sold in the Seed in the United States.* U.S.D.A., Technical Bul. No. 662; Wright, John W. and R. D. Saxman, "Charges for Ginning Cotton." Mimeographed, U.S.D.A. January 1942. p. 39.

Oklahoma gin operated much nearer its potential capacity and with more regularity and at lower labor cost per bale.

These 80-saw gin stands had a capacity of about one bale per hour per stand. Figure 1 shows that the Eastern Oklahoma gin came close to its capacity of 30 bales in 10 hours most of the days that it operated but that the Western Oklahoma gin varied widely from its 10 hours capacity of 40 bales on many days. The Western Oklahoma gin was dependent almost entirely on the cotton that came to the gin each day for the volume ginned that day, and the manager tried to gin all the cotton that came each day in order to unload the trailers of his customers. Although that gin had a seed cotton house, the manager was largely dependent on when it was convenient for the customers (and this was usually at night) as to when he ginned cotton from the seed cotton house.

Problems in the Ownership of Seed Cotton

Farmers maintained ownership of only about one bale of six, or about 16 percent of the cotton stored by Eastern Oklahoma gins. Twenty-five of the 62 gin operators surveyed in Eastern Oklahoma did not store any cotton for farmers. In Western Oklahoma approximately nine of each ten bales stored (or 91 percent) was still owned by farmers. This ownership pattern poses a problem if a large increase in the use of storage facilities is required.

If farmers retain individual ownership of cotton while it is stored at gins, then a means will have to be provided to keep separate the cotton belonging to various farmers. The difference in the uses made of seed cotton houses in Western Oklahoma indicates that more effective use use can be made of seed cotton storage space where the gin company owns the seed cotton.

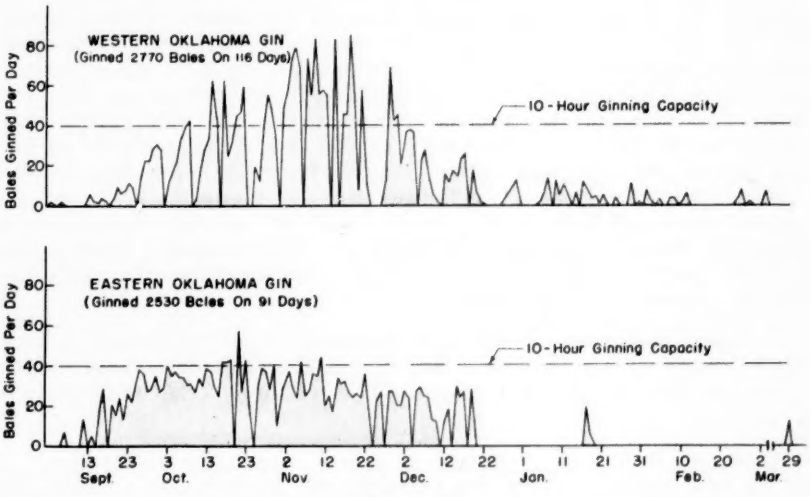

Figure 1

If gin companies are to buy and store large amounts of seed cotton, the question arises as to how can they buy cotton in the seed safely, from a business viewpoint, and in a way that will be equitable to and among farmers. In many of the foreign cotton-producing countries, cotton is sold in the seed on the basis of standards for grades of seed cotton.[6] Also, the Ginning Laboratories of the U. S. Department of Agriculture now include in their cotton testing services the determination of the foreign matter and the weights of seed and lint and percent lint turnout in samples of seed cotton.[7] These services are offered on a limited basis, and the fees now charged would make this information rather expensive on large volumes. However, perhaps similar information of somewhat less exact nature but still satisfactory for commercial transactions, could be provided at a low cost on large volumes.

If grade and staple determination were added to the seed cotton testing service, the same essential information would be available as is now obtained when cotton is ginned and classed. The grades for seed cotton in foreign countries and the services offered by the Cotton Division of the U.S.D.A. indicate that the problems of finding an equitable basis for selling cotton in the seed can likely be solved in this country. At present, a large part of the baled cotton is stored for some months in a compress following ginning, and a large part of the cottonseed is stored for sometime also before being crushed by oil mills. In effect, a big part of the cotton is ginned at harvest time in order to determine the percentages of lint and seed and the quality of the lint. The gin concerns could protect the base price, like merchants do, by hedging on future exchanges, and they could gin those qualities on which the basis seemed likely to change unfavorably first.

Several factors other than ownership of the seed cotton will influence the design of seed cotton houses. Economy of construction for the space involved will be one important factor. Storage space might be obtained at low cost by, in effect, raising the roofs of present compresses high enough to store a bale of seed cotton on the floor space now occupied by a bale of ginned lint. Buildings may need to be constructed so that the cotton can be put in the condition to give the largest returns when ginned, and such conditioning may include both drying and treatments. Conditioning might call for an enclosed space—perhaps like a large crude oil storage tank—so that humidity could be properly managed and fire prevented by non-combustible gases. Fire protection would be a consideration that might call for an extension of fire walls.

Other problems will be encountered in the development of large seed cotton storage houses. But if the costs for gins with storage space can be reduced by as significant an amount as appears possible,

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[6] See "Machine Cotton Harvesting and Ginning Practice Adjustments. "*Oklahoma Current Farm Economics*. Vol. 20. No. 4. August 1947. pp. 92-94.

[7] "Regulations and Fees for Cotton Testing Service." U.S.D.A., P.M.A., Cotton Branch. Processed; effective January 1, 1952. pp. 2 and 3, Item Nos. 1 and 4.

in comparison with building more gins, considerable resources can be applied profitably to the solution of some of these problems.

Conclusions

The adjustment of gins and markets to mechanical harvesting will likely amount to several dollars per bale, and consequently deserves considerable attention from farmers, gin operators, research workers and others.

Available information indicates several advantages for the storage of seed cotton and increased volumes per gin. Although several problems would be encountered in the adjustment and management of gins and markets for the sale of cotton in the seed by farmers, they appear subject to solution.

One of the principal advantages of increasing storage space at present appears to be the more steady operation of gins. This advantage is greater if the gin firm buys and stores cotton in the seed, because such companies can utilize their storage space more efficiently than when customers retain individual ownership of the seed cotton storage.

The actual costs of increased numbers of gins for custom ginning cannot be compared with the costs of storage of seed cotton and increased volumes per gin because data are not available. However, it seems reasonable to expect that the storing of seed cotton and the larger volumes per gin will compare favorably with the alternative of building additional gins without storage facilities from the standpoint of total costs.—*John D. Campbell,* Formerly Assistant Economist, Oklahoma A. & M. College. Now Assistant Professor, University of Arkansas.

Table 1.—Prices Received by Farmers for Oklahoma Farm Products.
(Dollars)

	Wheat	Corn	Oats	Barley	Rye	Grain sorghum	Cotton-lint	Cotton seed	White potatoes	Sweet potatoes	Soybeans	Peanuts	Alfalfa seed
1952	2.17	1.79	.97	1.40	1.76	1.51	.336	70.50	2.70	3.66	2.65	.094	24.26
1953	2.05	1.54	.85	1.25	1.47	1.36	.289	60.42	1.73*	3.32	2.43	.113	14.65
1953 Mar.	2.14	1.59	.94	1.40	1.65	1.51	.284	68.00	2.30	3.70	2.60	.114	16.32
Apr.	2.12	1.56	.90	1.30	1.60	1.43	.290	68.00	2.10	3.40	2.55	.114	16.20
May	2.09	1.59	.87	1.27	1.55	1.37	.293	66.00	1.90	3.40	2.55	.114	16.02
June	1.86	1.59	.74	1.10	1.40	1.34	.290	64.00	1.40*	3.40	2.50	.114	14.70
July	1.87	1.60	.72	1.09	1.26	1.37	.295	61.00	1.35	3.40	2.45	.114	14.10
Aug.	1.97	1.58	.77	1.14	1.22	1.37	.295	56.00	1.35	3.40	2.40	.114	14.16
Sept.	2.03	1.47	.82	1.22	1.35	1.23	.304	52.00	1.35	2.95	2.27	.110	14.70
Oct.	2.06	1.43	.83	1.21	1.40	1.18	.304	52.00	1.35	2.65	2.20	.112	13.50
Nov.	2.12	1.41	.85	1.23	1.46	1.20	.284	50.00	1.40	2.70	2.25	.108	12.00
Dec.	2.13	1.43	.87	1.23	1.46	1.20	.273	50.00	1.40	2.55	2.45	.111	11.88
1954 Jan.	2.14	1.47	.89	1.23	1.35	1.23	.272	50.00	1.40	2.80	2.45	.111	12.90
Feb.	2.16	1.49	.91	1.22	1.30	1.26	.290	50.00	1.50	3.00	2.55	.111	13.50
Mar.	2.19	1.50	.87	1.20	1.30	1.29	.290	50.00	---	3.00	2.80	.111	14.70

	All hay	Alfalfa hay	Prairie hay	Cattle	Calves	Sheep	Lambs	Hogs	Wholesale milk	Butterfat	All chickens	Eggs	Turkeys
1952	30.09	37.71	23.71	22.96	25.99	9.91	24.62	18.22	5.49*	.67	.223	.364	.288
1953	26.67	31.87	21.21	14.58*	16.28*	6.44*	20.17*	21.62*	4.60	.59	.230*	.417	.281
1953 Mar.	34.30	41.00	27.50	17.00	19.00	8.70*	20.20	20.00	4.80	.60	.255*	.395	.280
Apr.	30.40	30.40	24.00	16.40	18.90	9.00	21.20*	21.00*	4.35	.59	.237*	.400	.260
May	23.00	26.50	20.00	16.20	18.00*	7.60*	24.50	22.80*	4.00	.58	.240*	.417	.250
June	23.80	28.00	17.00	13.10*	15.00*	5.70*	22.60	22.50	4.00	.57	.212*	.366	.250
July	24.20	29.70	18.80	14.00*	15.80	4.80	22.70	24.50*	4.30	.56	.220*	.388	.250
Aug.	22.10	27.20	17.30	13.50	14.60*	5.70*	20.80	23.20	4.25	.56	.223*	.403	.250
Sept.	20.40	25.40	16.80	12.60	13.50*	5.10*	18.00*	24.00	4.55	.57	.219*	.432	.280
Oct.	21.20	26.70	16.80	11.30	12.60	5.10*	17.20	21.20*	4.85	.58	.227*	.453	.320
Nov.	22.30	27.90	18.00	12.30	13.60*	5.10*	18.40*	20.50*	4.90	.60	.216*	.447	.320
Dec.	22.90	28.10	18.80	13.10	14.80	5.70*	16.90	22.70*	4.75	.61	.227*	.476	.330
1954 Jan.	23.20	28.10	18.80	13.80	15.90	5.50	18.00	24.50	4.55*	.60	.211	.432	.310
Feb.	22.60	27.60	17.80	14.40	16.30	6.50	19.00	25.10	4.35	.60	.206	.406	.300
Mar.	20.90	25.20	17.00	14.80	16.60	7.00	21.50	24.80	4.10	.56	.216	.316	.300

SOURCE: *Prices Received by Farmers*, Agricultural Market Service, U.S.D.A., Oklahoma City, Oklahoma, Monthly Releases or *Agricultural Prices*, A.M.S., U.S.D.A., Washington, D. C.

* Revised.

Table 2.—Index Numbers of Prices Received by Farmers for Oklahoma Farm Products[1] (Percent of 1910-14 Average)

		Wheat	Corn	Oats	Barley	Rye	Grain sorghums	Cotton-lint	Cotton-seed	White potatoes	Sweet potatoes	All hay
1952		252	275	216	237	205	222	298	360	243	297	341
1953		239	237	189	211	171	199	256	309	156*	269	302
1953	Mar.	249	245	209	238	192	222	251	347	207	301	389
	April	246	240	200	220	187	210	257	347	189	276	345
	May	243	245	193	215	180	201	259	337	171	276	261
	June	216	245	164	187	163	197	257	327	126*	276	270
	July	217	246	160	185	147	201	261	312	122	276	274
	Aug.	229	243	171	193	142	201	261	286	122	276	250
	Sept.	236	226	182	207	157	181	269	266	122	240	231
	Oct.	240	220	184	205	163	173	269	266	122	215	240
	Nov.	246	217	189	208	170	176	251	256	126	220	253
	Dec.	248	220	193	208	170	176	242	256	126	207	260
1954	Jan.	249	226	198	208	157	181	241	256	126	228	263
	Feb.	251	229	202	207	152	185	257	256	135	244	256
	Mar.	255	231	193	203	152	190	257	256	---	244	237

		Cattle	Calves	Sheep	Lambs	Hogs	Wholesale milk	Butterfat	All chickens	Eggs
1952		475	435	214	422	259	284*	287	237	204
1953		302*	272*	140*	346	307	238	251	244*	234
1953	Mar.	352	318	189*	346	284	249	256	271*	222
	Apr.	340	316	194	364*	298*	225	252	252*	225
	May	335	302*	165*	420	324*	207	248	255*	234
	June	271*	251*	124*	388	320	207	244	226*	206
	July	290*	265	103	389	348*	223	239	234*	218
	Aug.	280	244*	124*	357	330	220	239	237*	226
	Sept.	261	226*	111*	309*	341	236	244	233*	243
	Oct.	234	211	111*	295	301*	251	248	241*	254
	Nov.	255	228*	111*	316*	291*	254	256	230*	251
	Dec.	271	248	124*	290	322*	246	261	241*	267
1954	Jan.	286	266	119	309	348	236*	256	224	243
	Feb.	298	273	140	326	356	225	256	219	228
	Mar.	306	278	151	369	352	212	239	230	178

SOURCE: Compiled by Dept. Agri. Econ., Oklahoma A. & M. College, from data supplied by Agricultural Marketing Service, U.S.D.A., Oklahoma City, Oklahoma and Washington, D. C.
For previous years, see Oklahoma Agri. Exp. Sta. Bul. 238, *Oklahoma Farm Price Statistics* and *Current Farm Economics*, Okla. Expt. Sta. series 49, Vol. 13, Nos. 1 and 2, Feb.-Apr., 1940. Tables 16-19, and subsequent issues.

[1] For the index of purchasing power of a unit of an individual commodity in terms of commodities used in farm production and family living, divide the index of price received by Oklahoma farmers (in this table) by the index of prices paid by United States farmers (in Table 4) for the same month and multiply by 100.

* Revised.

Table 3.—Price Indexes of Groups of Oklahoma Farm Products. (Percent of 1910-14 Average)

		All commodities	Total crops	Grain	Cotton & cottonseed	Misc. crops	Total livestock and L.S. products	Meat animals	Dairy products	Chickens and eggs
1952		305	286	252	304	305	351*	414	287*	213
1953		260*	252	234	261	254	279*	301	246	237*
1953	Mar.	269	257	245	261	321	298	331	254	235*
	Apr.	268	258	242	266	288	293*	327*	243	232*
	May	268	256	239	267	238	295*	330	234	240*
	June	250	246	217	264	229*	260*	283*	231	211
	July	256*	248	218	266	230	275*	304*	234	222*
	Aug.	255	249	227	264	218	268	291*	233	229*
	Sept.	256*	253	230	269	201	265*	280*	241	240
	Oct.	253*	254	232	269	202	250	251*	249	251*
	Nov.	249	245	237	252	210	258*	263*	256	245*
	Dec.	250	240	239	243	212	274*	283	256	260*
1954	Jan.	252	241	241	242	217	279	301	249*	238
	Feb.	260	251	243	256	219	283	312	247	226
	Mar.	259	252	246	256	239	276	317	230	192

Purchasing Power Indexes[1] of Groups of Oklahoma Farm Products. (Percent of 1910-14 Average)

		All commodities	Total crops	Grain	Cotton & cottonseed	Misc. crops	Total livestock and L.S. products	Meat animals	Dairy products	Chickens and eggs
1952		106	99	87	105	106	122	143	99	74
1953		91	88	82	92	90	98	106	86	83*
1953	Mar.	95	90	86	92	113	105	116	89	83*
	Apr.	94	90	85	93	101	103*	115*	85	81
	May	94	90	84	94	84	104	116	82	84
	June	88	87	76	93	81*	92	100*	81	74
	July	90*	87	76	93	81	96	107*	82	78*
	Aug.	89	87	79	92	76	94	102	81	80*
	Sept.	90	89	81	95	71	93*	98*	85	84
	Oct.	90*	90	82	95	72	89	89	88	89*
	Nov.	88	86	84	89	74	91	93*	90	86
	Dec.	88	85	84	86	75	97*	100	90	92*
1954	Jan.	89	85	85	85	76	98	106	88*	84
	Feb.	92	88	86	90	77	100	110	87	80
	Mar.	90	88	86	90	84	96	111	80	67

SOURCE: Compiled by Dept. Agri. Econ., Okla. A. and M. College, from data supplied by Agricultural Marketing Service, U. S. D. A., Oklahoma City, Oklahoma, and Washington, D. C.

[1] The ratio of prices received by farmers to prices paid by farmers for commodities used in farm living and production. For individual commodities see footnote 1 of Table 2.

* Revised.

Table 4.—Index Numbers in the United States, Index of Demand Deposits in Oklahoma, and Oklahoma Price Ratios.

		United States index numbers of:				Index of demand deposits in Oklahoma[2] [3] (1923-25=100)	Oklahoma price ratios[4]			
		Prices received by farmers (1910-14=100)	Prices paid by farmers (1910-14=100)	Wholesale prices (1910-14=100)	Factory payrolls[1] (1947-49=100)		Hog corn	Egg feed	Turkey feed	Milk feed
1949		251	253	226	97.2	347.4	14.97	12.0	9.9	1.569
1950		256	261	236	111.7	346.8	14.21	9.4	7.6	1.442
1951		302	284	262	129.6	273.1	12.82	10.8	8.0	1.509
1952		288	288	250	135.3	293.2	10.20	8.9	7.0	1.533*
1953		258	284	247	149.2	289.3	14.04*	11.2	7.6	1.520
1953	Mar.	264	284	248	151.9	287.5	12.58	10.1	7.1	1.446
	Apr.	259	285	246	150.0	285.9	13.46*	10.4	6.8	1.344
	May	261	284	247	149.9	279.7	14.34*	11.0	6.6	1.254
	June	259	284	246	150.8	282.1	14.15	10.1	6.9	1.335
	July	259	285	248	148.9	291.9	15.31*	10.7	6.9	1.479
	Aug.	258	286	249	151.6	289.2	14.68	11.0	6.8	1.513
	Sept.	256	284	249	150.9*	286.7	16.33	12.0	7.8	1.633
	Oct.	250	282	247	149.3*	289.5	14.82*	12.7	9.0	1.777
	Nov.	249	283	247	145.7	293.1	14.54*	12.6	9.0	1.770
	Dec.	254	283	247	144.2	293.9	15.87*	13.1	9.1	1.674
1954	Jan.	259	284	248*	----	294.2	16.67	11.8	8.4	1.571*
	Feb.	258	284	247	----	286.2	16.84	10.9	8.1	1.464
	Mar.	256	286	249	----	----	16.53	8.4	8.0	1.368

SOURCE: Indexes of U. S. prices received and prices paid by farmers and indexes of U. S. wholesale prices, from *Agricultural Prices*, A.M.S., U.S.D.A., Washington, D. C. Indexes of demand deposits in Oklahoma, calculated by Dept. Agri. Econ., Okla. Agri. Exp. Sta. from data furnished by Federal Reserve Board, Washington, D. C. Indexes of factory payrolls, from U. S. Department of Labor, Bureau of Labor Statistics, Washington, D. C.

[1] Unadjusted for seasonal variation.

[2] Demand deposits of Oklahoma member banks of the Federal Reserve System located in places under 15,000 population.

[3] Index numbers based on net demand deposits prior to 1936 and upon gross demand deposits since that date. For a discussion of this index see CURRENT FARM ECONOMICS, Oklahoma Agricultural Experiment Station Series 49, Vol. 13, Nos. 1 and 2. Feb.-Apr., 1940. p. 41.

[4] The number of bushels of corn or pounds of feed which one unit of the commodity (100 pounds of hogs, one dozen eggs, one pound of turkeys or milk) will purchase. Prices used are the official A.M.S. estimates of prices received by Oklahoma farmers except for commercial feeds or ingredients which are official A.M.S. estimates of prices paid by Oklahoma farmers. These ratios are computed on the basis of fixed rations and are not directly comparable with ratios computed from other rations. The composition of each ration used is available upon request.

* Revised.

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